

Service Date: September 24, 1987

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)
of Northern Natural Gas Company to) DOCKET NO. 87.7.39
Decrease Rates and Charges for) DEFAULT ORDER NO. 5293
Natural Gas Service to its Rural)
Farmstead Customers in Montana)

* * * * *

On July 31, 1987, Northern Natural Gas Company (Applicant) filed an application with the Montana Public Service Commission for an order authorizing the Applicant to decrease its natural gas rates. The Applicant, consistent with the terms and conditions of the "Stipulation and Agreement in Settlement of Ratemaking Proceeding" approved in this Commission's Docket No. 83.9.65, Order No. 5095a, filed a request to decrease natural gas rates charged to its rural farmstead customers.

Having considered the application and documentation furnished by the Applicant in support of its application, and deeming itself fully advised in the premises, the Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The calculation of the proposed rate is consistent with the terms and conditions of the aforementioned stipulation approved by the Commission in Order No. 5095a. The proposed rates reflect a reduction in the gas-cost component of the rate and the inclusion of administrative expenses (non-gas component).

2. The Applicant alleges that the decreased rates will provide sufficient revenue to operate its utility.

3. The Applicant anticipates that the proposed rates will decrease its annual revenues by approximately \$13,500.

4. The Applicant provided notice to each of its rural farmstead customers of its intent to decrease natural gas rates.

5. The Applicant's request to decrease rates to its rural farmstead customers should be granted.

CONCLUSIONS OF LAW

1. The Applicant, Northern Natural Gas Company, is a public utility as defined in Section 69-3-101, MCA. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's rates and service pursuant to Section 69-3-102, MCA.

2. The rates and rate structure approved in this order are just and reasonable. Sections 69-3-201, and 69-3-330, MCA.

ORDER

1. Northern Natural Gas Company is authorized to implement a consumption rate of \$2.5364 per mcf of gas sold.

2. The rate approved herein shall become effective for services rendered on and after October 1, 1987.

DONE IN OPEN SESSION at Helena, Montana on this 21st day of September, 1987 by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

TOM MONAHAN, Commissioner

ATTEST:

Ann Purcell
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.